

Message Text

CONFIDENTIAL

PAGE 01 RABAT 05289 301756Z

43

ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EB-03 SP-02 L-01 INR-05 NSC-05

NSCE-00 SAM-01 RSC-01 PRS-01 /040 W

----- 040044

P R 301726Z OCT 74

FM AMEMBASSY RABAT

TO SECSTATE WASHDC PRIORITY 3648

INFO AMEMBASSY JIDDA

C O N F I D E N T I A L RABAT 5289

LIMDIS

E.O. 11652: GDS

TAGS: ENRG SA US

SUBJ: TIMES REPORT OF SAUDI OIL PRICE CUT

REF: STATE 238074

1. BEST CURRENTLY AVAILABLE INFORMATION ON ECONOMIC ASPECTS ARAB SUMMIT CONTAINED RABAT 5266 AND 5277. IN OCTOBER 30 PRESS CONFERENCE, KING HASSAN, IN RESPONSE DIRECT QUESTION, ASSERTED THAT OIL WEAPON DISCUSSED "ONLY TANGENTIALLY" AND NO DECISIONS REACHED. IN RESPONSE TO LATER QUESTION HE COMMENTED THAT ARABS HAD LEARNED THAT "OIL TAP IS A POWERFUL TWO-EDGED WEAPON WHICH IT IS IMPORTANT NOT OT OVERUSE".

2. BEGIN COMMENT: REPLY PROBABLY TECHNICALLY CORRECT IN THAT CHIEFS OF STATE HAD LITTLE TIME FOR EXTENSIVE DISCUSSIONS OF OIL STRATEGY IN FORMAL SUMMIT SESSIONS. IT KNOWN, HOWEVER, THAT ARAB OIL MINISTERS WERE HOLDING PARALLEL DISCUSSIONS AND THERE IS LITTLE DOUBT THAT CONSIDERABLE CONCERTATION OF VIEWS TOOK PLACE AT THAT LEVEL. WE HAVE ALSO HEARD CONFIRMATION WHICH WE BELIEVE TO BE RELIABLE SUPPORTING MAIN ELEMENTS OF SMITH STORY (REFTEL). CHIEFS OF STATE OF MOROCCO, SAUDI ARABIA, EGYPT, KUWAIT, ALGERIA PLUS ONE OR TWO OTHERS SAID TO HAVE DEVOTED LUNCHEON MEETING ON MONDAY TO EXPLORATION OIL PRICE QUESTION. ONE MAJOR EUROPEAN EMBASSY SOURCE HAS TOLD US HE HAS IT ON
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 RABAT 05289 301756Z

"VERY RELIABLE AUTHORITY" THAT DECISION WAS MADE AT LUNCHEON

TO REDUCE PRICES MODERATELY, ESSENTIALLY AS GESTURE OF APPEASE-
MENT TO US FOR DECISION TAKEN ON PLO-JORDANIAN REPRESENTATION
ISSUE. AN ARAB EMBASSY SOURCE (WHO WE DOUBT HAS FIRST HAND
ACCESS BUT WHO AT LEAST PROVIDES INDEPENDENT CORROBORATION
OF LUNCHEON TOPIC) BELIEVES PARTICIPANTS AGREED ONLY TO TALKS
WITH MAJOR OIL-CONSUMING COUNTRIES WHICH MIGHT RESULT IN TOKEN
REDUCTION OR FREEZE. NCB REP HAS TOLD US HE AWARE OF SMITH
STORY (WHICH HE SAID BASED ON INTERVIEW WITH SAUDIS) BUT CHOSE
NOT TO FILE SINCE HE HAD NO INDEPENDENT BASIS FOR REPORTING.
END COMMENT.

3. WE CONTINUING EFFORTS TO DEVELOP RELIABLE INFORMATION ON
OIL ISSUE AND EURO-ARAB COOPERATION.
NEUMANN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974RABAT05289
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740309-1086
From: RABAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974106/aaaaafap.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: STATE 238074
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 AUG 2002 by WorrelSW>; APPROVED <05 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TIMES REPORT OF SAUDI OIL PRICE CUT
TAGS: ENRG, SA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005